

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (06/30):**

**BUTTER:** Grade AA closed at \$1.2325. The weekly average for Grade AA is \$1.1933 (+.0166).

**CHEESE:** Barrels closed at \$1.2800 and blocks are also at \$1.2800. The weekly average for barrels is \$1.2410 (+.0135) and blocks, \$1.2620 (+.0020).

**NONFAT DRY MILK:** Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

**BUTTER:** The butter market tone is mixed. CME cash price declines of nearly 20 cents per pound over the past few weeks have ended and price strength is starting to occur. Butter stocks continue to run ahead of last year at this time, although the most recent CME week to week figures indicate the largest one week decline thus far this year. Butter production varies across the country, but generally butter output is lighter than desired. Cream volumes are not readily available for butter needs. Ice cream and other Class II cream based products continue to report strong production schedules. Many butter producers do anticipate cream to become more available to them during the 4th of July holiday period. Demand for butter is fairly strong as resort and vacation areas prepare for the upcoming holiday and usual summer needs. Retail demand is equally as favorable, stimulated by scattered June is Dairy Month and 4th of July holiday promotions.

**CHEESE:** The cheese market is firm. Many traders expect cheese prices to trend higher as milk supplies tighten into fall. Orders were spotty as many buyers and, particularly bulk packagers, take additional time off early next week for the holiday observance. Process and shred demand remain good. Natural interest, particularly mozzarella, has held up better than expected. Cheese production is steady to lower as milk receipts declines. During the week of June 26 - 30, CCC had no cheese activity.

**FLUID MILK:** Milk production is declining through most of the country. Summer heat and humidity are impacting milk production in most areas, though cows in the upper Midwest have had limited heat related stress. The upcoming Independence Day holiday is expected to generate additional offerings of milk and cream for manufacturing plants, but the impact is expected to be minimal. A few plants, often ice cream, will close for a long weekend or an extra day or two early next week, so more cream may be available for churning.

**DRY PRODUCTS:** The NDM market is steady to firm. Traders are preparing offerings for the new DEIP year allocations starting July 1. Production is declining though sales to CCC continue to help balance inventories. The WPC market is firm, aided by the strong NDM/skim milk market internationally. Some producers are expecting higher prices and are refusing higher bids for product not yet produced. Buyer interest remains good. The buttermilk market remains firm with offerings limited by good condensed sales and seasonal declines in churning. Whey prices are also steady to higher. Export sales are helping clear some extra inventory. Production is declining seasonally.

**CLASS AND COMPONENT PRICES (DAIRY PROGRAMS):**

The following are the June 2000 final prices under the Federal Milk Order pricing system: Class II \$13.08 (up \$.45), Class III \$9.46 (up \$.09), and Class IV \$12.38 (up \$.47). Product price averages used in computing Class prices are: butter \$1.2725, NDM \$1.0097, cheese \$1.1137, and dry whey \$.1794. The Class II butterfat price is \$1.4198 and the Class III/IV butterfat price is \$1.4128. Further information may be found at:

[www.ams.usda.gov/dairy/fmor\\_announce.htm](http://www.ams.usda.gov/dairy/fmor_announce.htm)

**CCC:** During the week of June 26 - 30, net CCC purchases totaled 9,245,301 pounds of nonfortified NDM. During the first 9 months of the current purchase year ending June 30, CCC has purchased 6,746,519 pounds of cheese versus 0 pounds during the previous year. CCC also purchased 384,675,255 pounds of NDM more than 2.6 times the 145,563,959 pounds last year.

**COMMERCIAL DISAPPEARANCE (ERS, AMS):** Commercial disappearance of dairy products during January - April 2000 totals 54.1 billion pounds, up 3.8% from the same period in 1999. Comparing disappearance levels with year earlier levels: butter is up 1.4%; American cheese, an increase of 4.2%; other cheese, up 7.6%; but nonfat dry milk down 26.7%.

**CONSUMER PRICE INDEX (BLS):** The May CPI for all food is 167.3, up 2.2% from May 1999. The dairy products index at 159.6, is up 2.2% from last year. The following are the May to May changes for selected dairy products: fresh whole milk, up 3.7%; cheese, an increase of 0.9%; and butter, down 4.8%.

\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*

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**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JUNE 26	TUESDAY JUNE 27	WEDNESDAY JUNE 28	THURSDAY JUNE 29	FRIDAY JUNE 30	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.2250 (-.0025)	\$1.2250 (N.C.)	\$1.2250 (N.C.)	\$1.2500 (+.0250)	\$1.2800 (+.0300)	(+.0525)	\$1.2410 (+.0135)
40# BLOCKS	\$1.2600 (N.C.)	\$1.2600 (N.C.)	\$1.2550 (-.0050)	\$1.2550 (N.C.)	\$1.2800 (+.0250)	(+.0200)	\$1.2620 (+.0020)
NONFAT DRY MILK							
EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
GRADE A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
BUTTER							
GRADE AA	\$1.1575 (N.C.)	----	\$1.1900 (+.0325)	----	\$1.2325 (+.0425)	(+.0750)	\$1.1933 (+.0166)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM)

## CHICAGO MERCANTILE EXCHANGE

MONDAY, JUNE 26, 2000

CHEESE -- SALES: 4 CARS 40# BLOCKS: 1 @ \$1.2575, 1 @ \$1.2600, 1 @ \$1.2575, 1 @ \$1.2600; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.2250, 1 @ \$1.2300; 1 CAR 40# BLOCKS @ \$1.2600

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 5 CARS GRADE AA: 1 @ \$1.1550, 4 @ \$1.1575; BIDS UNFILLED: 8 CARS GRADE AA: 1 @ \$1.1200, 2 @ \$1.1025, 5 @ \$1.1000; OFFERS UNCOVERED: 10 CARS GRADE AA: 2 @ \$1.1600, 2 @ \$1.1625, 2 @ \$1.1650, 2 @ \$1.1700, 2 @ \$1.1800

TUESDAY, JUNE 27, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.2350

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, JUNE 28, 2000

CHEESE -- SALES: 1 CAR BARRELS @ \$1.2250; 8 CARS 40# BLOCKS: 1 @ \$1.2550, 1 @ \$1.2600, 1 @ \$1.2575, 1 @ \$1.2600, 1 @ \$1.2550, 1 @ \$1.2600, 1 @ \$1.2550, 1 @ \$1.2600; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ \$1.2550, 1 @ \$1.2600, 1 @ \$1.2700

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 10 CARS GRADE AA: 1 @ \$1.1750, 1 @ \$1.1775, 1 @ \$1.1800, 2 @ \$1.1900, 2 @ \$1.2000, 1 @ \$1.1900, 1 @ \$1.2000, 1 @ \$1.1900; BIDS UNFILLED: 10 CARS GRADE AA: 1 @ \$1.1875, 1 @ \$1.1850, 1 @ \$1.1600, 1 @ \$1.1575, 1 @ \$1.1400, 5 @ \$1.1300; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ \$1.1950, 1 @ \$1.2000

THURSDAY, JUNE 29, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2500; OFFERS UNCOVERED: 4 CARS 40# BLOCKS: 1 @ \$1.2550, 2 @ \$1.2600, 1 @ \$1.2650

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, JUNE 30, 2000

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.2600, 1 @ \$1.2650, 1 @ \$1.2700, 1 @ \$1.2800; 11 CARS 40# BLOCKS: 1 @ \$1.2550, 2 @ \$1.2600, 1 @ \$1.2700, 1 @ \$1.2675, 1 @ \$1.2700, 1 @ \$1.2650, 2 @ \$1.2700, 1 @ \$1.2750, 1 @ \$1.2800; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$1.2200, 2 @ \$1.2300, 1 @ \$1.2325; BIDS UNFILLED: 11 CARS GRADE AA: 1 @ \$1.2325, 1 @ \$1.2300, 1 @ \$1.2100, 1 @ \$1.2025, 1 @ \$1.2000, 1 @ \$1.1975, 1 @ \$1.1950, 1 @ \$1.1925, 3 @ \$1.1900; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ \$1.2400, 1 @ \$1.2500

## BUTTER MARKETS

## NORTHEAST

Prices at the CME were lower again last week. The market tone remains unsettled. Churning activity is lighter than expected for June as milk volumes decrease and demand for fluid cream (now that prices are sharply lower than early June) is good. Demand for butter is holding up quite well. Some buyers are taking on additional stocks now that prices have fallen to current levels. Print sales are just fair at retail and steady for food service trade. Bulk butter demand is unchanged and spot sales remain in the range of 3-5 cents over the CME price/average.

## CENTRAL

Butter markets are mixed. Recent price decreases ended at midweek with the cash price at the CME increasing 3 1/4 cents. Some producers and handlers indicated that when weekly inventory figures were release and if volumes declined, which they did, the cash price would firm. Stocks of butter continue to run ahead of last year at this time, although the most recent week to week change was the largest decline recorded thus far this year. Stocks are reported to be sufficient to meet current good demand. Food service orders are seasonally active as resort and vacation areas in the Midwest indicate active business. Retail demand is equally good. Scattered retail feature activity continues to clear heavy volumes of print butter stimulated by June Dairy Month and 4th of July

promotions. Overall, butter production schedules are lighter than desired in most operations. Cream volumes are limited for steady butter output as ice cream production remains very active, although most butter producers anticipate cream to become more available to them as the upcoming holiday approaches.

## WEST

Butter prices at the CME continued to weaken last week, but they are generally holding steady this week. Print butter orders are good and bulk continues to move across the country for current needs and for storage purposes. Cream supplies for churning are drying up quite rapidly this summer. The call from ice cream plants is excellent. Milk production is declining more rapidly. Fat tests on farm milk receipts are sharply lower in those areas where hot conditions have been around for a period of time. Plant operators are commenting that they are hauling around a lot of water. Some butter plants don't have anything for sale at this time. CME weekly butter stocks declined by 2.7 million pounds last week, the sharpest weekly decline this year. Stocks stand at 101.1 million pounds, 28.8% ahead of last year at this time. Current prices for bulk butter range from 5 cents under to 2 cents under the market based on the CME with various time frames and averages involved.

**NASS DAIRY PRODUCT PRICES**  
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
JUNE 24	1.1296 6,502,993	1.1353 10,668,882	1.0102 24,787,539	1.1705 1,420,601	0.1813 7,820,928

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices are generally higher, but cash cheese prices at the CME have been steady to lower since June 19 trading. The market tone is steady, but some firmness is evident. Production levels are lighter now that Eastern surplus milk volumes are coming off their seasonal peak. Demand for cheese is holding up quite well, but June Dairy Month retail promotions are coming to an end and retail orders normally ease while they work off on-hand stocks. However, many reports indicate higher cheese prices as we move through summer. This is giving current demand a boost as distributors and users want some inventory before anticipated price increases. Food service orders are improved in resort or vacation areas as the summer vacation season gets underway.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10#Prints	:	1.2975-1.7650
Cheddar Single Daisies	:	1.2550-1.7150
Cheddar 40#Block	:	1.4000-1.5750
Process 5#Loaf	:	1.4375-1.6100
Process 5#Sliced	:	1.4575-1.7150
Muenster	:	1.4575-1.7600
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market is currently about steady, though many traders expect additional firmness by fall. The weekly block average at the CME for the week ending June 23 was \$1.2600, nearly 22.5 cents below the comparable week (\$1.4845) in 1999. The current week barrel average is \$1.2275 compared to \$1.4420 last year. Many processors and packagers have been operating an extra Saturday or two in order to close for a 3 - 4 day holiday period. This has caused shifts in bulk cheese demand as requirements for next week are likely to be lighter. Process and shred interest is generally good. Process movement continues to be stimulated by food service promotional activity. Cheddar block interest is steady though 40# blocks appear tighter than 640's. Barrel interest remains good for current product. Mozzarella continues generally stronger than expected as buyers try to build inventory for later in the year, expecting higher prices and/or tighter supplies. Aged cheddar interest remains generally light. Milk and cheese production are about steady to slightly lower.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5#Loaf	:	1.4075-1.4900
Brick And/Or Muenster 5#	:	1.4500-1.8200
Cheddar 40#Block	:	1.4500-2.1150
Monterey Jack 10#	:	1.6500-2.1150
Blue 5#	:	1.9550-2.0200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4700-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0000-2.6850

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	JUNE 26 - 30, 2000
BARRELS*	:	\$1.2275 - 1.2375 (NOMINAL)
	:	(\$ .0400) (-.0025)
40# BLOCKS	:	\$1.2800 - 1.3000 (NOMINAL)
	:	(\$ .0550) (.0100)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Natural and process cheese prices continue to increase as the CME average again moved higher. Prices recently have stabilized so that it is expected prices may not move much higher in the immediate future. More contacts are now believing that prices may hold here a while and than continue higher as the summer season moves forward. They see milk declining more rapidly and note that cheese demand remains rated as quite good. Barrels are relatively tight as process cheese sales are strong. This market is also absorbing quite a bit of the downgraded cheese. Offerings of this type of cheese are much heavier than last year for some reason. Interest in current blocks for cutting for natural cheese is picking up. This added interest may be related to the higher prices. Demand for mozzarella cheese is rated as very good for this time of the summer. Any offerings are quickly absorbed. Swiss production lags a year ago and demand is aggressive. Milk output over much of the Western region has peaked and, therefore, so has cheese output.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5#Loaf	:	1.3800-1.6400
Cheddar 40#Block	:	1.3825-1.5225
Cheddar 10#Cuts	:	1.5625-1.7825
Monterey Jack 10#	:	1.5725-1.7325
Grade A Swiss Cuts 6 - 9#	:	2.2000-2.4500

## FOREIGN

Prices for domestically made styles are higher again this week. The market activity is seasonally slow. Reports out of Europe show cheese output running well ahead of last year at this time and prices are not rising too fast. In fact, some producers are switching milk from cheese output to butter/powder where returns are better.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

		NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
Roquefort	:	TFEWR	: -0-
Blue	:	2.6400-3.1400	: 1.6000-3.0950*
Gorgonzola	:	3.2400-5.9400	: 2.1550-2.4900*
Parmesan (Italy)	:	TFEWR	: 3.0150-3.0400*
Romano (Italy)	:	2.1000-2.5400	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.6150-1.8850*
Romano (Cows Milk)	:	-0-	: 2.7900-4.9650*
Sardo Romano (Argentina)	:	2.6500-3.2900	: -0-
Reggianito (Argentina)	:	2.6500-3.2900	: -0-
Jarlsberg (Brand)	:	2.7400-3.3100	: -0-
Swiss Cuts Switzerland	:	-0-	: 2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500	: -0-
Swiss Cuts Austrian	:	2.2500-2.7500	: -0-
Edam	:	:	:
2 Pound	:	TFEWR	: -0-
4 Pound	:	2.1900-3.0900	: -0-
Gouda, Large	:	2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:	:
10 Ounce	:	27.8000-31.7000	: -0-

\*=Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

		BUTTER : CHEESE	
06/26/00	31,771	:	130,796
06/01/00	27,134	:	129,671
CHANGE	4,637	:	1,125
% CHANGE	17	:	1

## FLUID MILK AND CREAM

## E A S T

The base price for Class I milk for July 2000 is \$12.46 per cwt., up 76 cents from May. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for July is \$8.41, up one cent from May. Milk production is steady to falling in most section of the East. The Southeast is getting some much needed rain, but the amounts are far from sufficient to break the drought. Florida has been getting more rainfall and temperatures are cooler which is slowing milk production declines. Florida handlers shipped 33 loads of milk to out-of-state bottlers this week. This compares to 59 loads last week and none last year. Contacts feel that Florida handlers could start to import milk in two - three weeks. Further north, milk supplies are also lighter than expected and plants are not operating up to anticipated levels. A little more milk may be available during the long holiday weekend, but when holidays fall during midweek, processors report little disruption to normal schedules. Bottled milk sales are fairly good this week. Some contacts feel that bottlers are putting up milk now so they can take a long weekend. The condensed skim market is little changed. However, some contacts have sent out price increase notices for July sales of Class II condensed skim. The Class III condensed skim market is also good and demand is holding up nicely. The fluid cream market is firm early this week, but contacts project offerings to be heavier late in the week and into the holiday weekend. Demand is quite good, but more excess is earmarked for churns over the weekend. California cream is moving into the region and is expected to continue throughout the summer. Spot prices are often lower as the CME butter price average moved down last week. Ice cream production is seasonally active. Cream cheese output is steady, but lower priced cream is more attractive to producers. Churning activity is light to moderate, but expected to increase during the weekend.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.5062-1.7800
DELIVERED EQUIVALENT ATLANTA	-	1.5062-1.7062 M 1.5532-1.6238
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.5650-1.6591

## PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9900-1.1050
NORTHEAST- CLASS III - SPOT PRICES	- .7500- .9000

## M I D W E S T

## WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
JUNE 23 - 29, 2000	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1999	0

Class I demand is seasonal and generally unexciting. Spot milk supplies have been relatively light and mostly local offerings. The surplus volumes available may rise over the extended holiday period though current handler forecasts are for a quiet holiday period for surplus. Some firms are closing for an extra day or two early next week for the holiday observance. Other plants are not anticipating any schedule changes due to the holiday. Current reports of spot manufacturing milk premiums range from \$1.00 - 1.50 over class delivered. Milk shipments, pooled under other federal orders, continue out of Wisconsin. Most shippers feel spot milk shipments are still at least a couple weeks away. Cream prices are lower, reflecting more of the cumulative declines

during recent weeks in the CME cash butter prices. Current milk intakes are about steady to generally drifting slightly lower. Most plants did see an earlier than normal spring peak in milk production. Comfortable, though still often damp, weather has done little yet to really inhibit milk production except for a sizeable and hungry crop of insect pests. Some second cutting hay is down but late first crop is still being put up. In the wetter parts, yellow corn and small farm ponds continue. Though seasonally cool in many areas of Wisconsin, most corn should make "knee high by the 4th".

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JUNE 22 - 27	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.00- 45.00	\$ 37.00- 42.00
REPLACEMENT HEIFER CALVES	\$240.00-325.00	\$225.00-270.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JUNE 22 - 27	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 49.00	\$ 34.00- 45.25

## W E S T

May pool receipts for California total 2.73 billion pounds, 5.0% higher than last year but down 1.0% from April on a daily average basis. The blend price at test is \$10.96. The May average fat test is 3.61%. The percentage of receipts used in Class 1 products is 20.06%. The May quota price is \$12.24 and base/overbase prices are \$10.54. These prices are 18 cents above April but 87 cents less than one year ago. These are the highest prices reported for six months. Another bout of hot temperatures is further stressing cows throughout most of the Central Valley in California. More humidity is noted as well as less cooling in the evenings. Most contacts are noting milk receipts declining more rapidly. Most are also noting that the solids content of the milk that is coming in is also declining more rapidly. Some plant managers are commenting that they are certainly hauling around more water. Plant operating schedules are being adjusted to handle the changing receipts. Dairy quality hay supplies are becoming harder to find in nearby locales. Dairies are now buying hay from Utah and Nevada and hoping to deliver it into central California for about \$155. They are also beginning to look into Idaho and Oregon also. Milk production continues to decline seasonally in Arizona. Temperatures are running close to 110 degrees most days. So far, conditions are cooling off at night and humidity patterns are not oppressive. Some shower activity has cooled things off some what in New Mexico. The milk output decline has slowed somewhat. Some temperature records were set in the Pacific Northwest earlier this week. The heat has had some impact on the milk flow, but many producers have various types of cooling in place that was able to keep things generally manageable. Nevertheless, many contacts believe that production is past the seasonal peak. Plants continue to operate on heavy schedules. Heifer demand is moderate. The next major heifer auction in the region will be held on July 7. Many contacts are watching this one with interest to see what the rest of the summer may be like from a replacement cost point of view. Culling rates range from slow to moderate. Some better quality new crop hay is becoming available at about \$135 delivered. Temperatures are moderate in Utah and Idaho with no rain since very early in the spring. Hay harvesting has been going well. Quality is good with volumes a little disappointing. Milk output is thought to be past the seasonal peak, but it will probably remain near the peak volume until weather stress causes it to decline. Some plants with good sales activity are buying a little outside milk to augment their own production. Most operations are satisfied with their current production schedules.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 06/29/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are higher on a steady to slightly firmer market. Supplies of Grade A 50# bags are tight and trading at the higher end of the range. Manufacturers of Extra Grade are more confident with their supplies, however, movement into government programs remains strong. Spot movement is best into ice cream and cheese facilities. Low heat production is steady to seasonally lower in areas where summer heat is taking its toll. High heat demand is good. Production is generally on an as needed basis with some producers unable to meet any extra spot interest. Standard Grade product is available and competitive with Off Grade WPC.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0100 - 1.0350 MOSTLY: 1.0100 - 1.0200

**DRY BUTTERMILK - CENTRAL**

Prices are higher on a firm market. Producers are not reporting any price resistance to the current market. Buyers that were waiting for the market to peak may not be able to hold out much longer. Condensed continues to clear readily into ice cream facilities. Dry buttermilk demand is fair for the tight supplies. Spot movement is best into seasonings and bakeries. Product is being offered at a penny over the average by Midwestern and Western resellers.

BUTTERMILK: .9100 - .9725

**DRY WHEY - CENTRAL**

Prices are higher on a steady to firm market. While supplies are tightening, producers are generally not aggressive on price. Export activity is clearing product steadily. Domestic demand is fair, best into feed markets. Production is steady to lower in areas where humidity is affecting product quality. Inventories are mostly in balance with some producers sold out through July. Offerings from resellers are adequate with some buyer resistance noted. Condensed product is often burdensome as some manufacturers are finding it difficult to place supplies. Off Grade product is tight with most product clearing at higher prices.

NONHYGROSCOPIC: .1875 - .2000 MOSTLY: .1900 - .1950

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged to higher on a steady to firm market. Milk replacer supplies are tight. Product is difficult to find. Some traders are steering clear of the market as the margins are too low. Roller ground prices moved higher with increases in the Extra Grade market. Interest is increasing on domestic and export markets. Delactose production is steady to lower due to regional humidity problems. Demand is seasonally increasing into the food sector. Feed grade movement is good with some producers unable to meet any extra spot interest. The U.S. hog inventory for June is down 2% from June 1999. May veal production totaled 19.0 million pounds, 13% above May 1999. Current hog and veal prices are generally trending lower.

MILK REPLACER: .1500 - .1900

ROLLER GROUND: .1750 - .1900

DELACTOSE (Min. 20% protein): .3600 - .3700

**LACTOSE - CENTRAL AND WEST**

Prices are lower on a weak market. Negotiations continue on some 3rd quarter contracts. Finalized negotiations are generally lower as domestic firms compete for export markets. Domestic demand is fair as candy manufacturers prepare for seasonal interest this fall. Feed buyers continue to resist current prices due to the heavy supplies of Off Grade available. Some producers offering at 18 cents on Extra Grade are finding it difficult to move product and inventories are building. Production is unchanged with most plants operating at capacity. Movement on 200 mesh is good with prices reported at 21-25 cents FOB. Off Grade supplies are trading at 13 cents and lower.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1700 - .2250 MOSTLY: .1800 - .1950

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are higher on a firm market. Resellers are noting some price resistance, however, manufacturers continue to gain substantial premiums from food buyers. Because world NDM prices are increasing, export interest in WPC is strong. However, producers are generally opting not to export and fulfilling domestic demands first. Some producers are anticipating higher prices in the weeks to come and are refusing bids at 3-4 cents over the average. Interest is best from ice cream, process cheese and blending facilities. Some veal operators that opted to wait for a market drop instead of buying extra supplies are now beginning to search for product with heavy angst. Others are looking at substituting soy in their formulations. Off Grade product is available at prices that vary with the quality. Standard Grade NDM remains an adequate substitute for some Off Grade buyers.

EXTRA GRADE 34% PROTEIN: .7425 - .7925 MOSTLY: .7425 - .7725

**NONFAT DRY MILK - WEST**

Low/medium heat prices are holding steady while some strength is noted for high heat powder. Contacts are watching for the new DEIP year announcement and believe that will probably tighten up the market in the short run. Prices will most likely not firm much, but availability from selected suppliers may be delayed for a period of time. Most expect that sales in the new DEIP year will be very front loaded because of the strength and tightness in the European market. Domestic demand is generally steady for low heat powder. Powder production is dropping more rapidly as more summer like conditions prevail in the Southwest. During the week of June 19-23, plants cleared 12.7 million pounds of NDM into the price support program. Of this total, 10.7 million pounds are from the West.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9900 - 1.0200 MOSTLY: 1.0000 - 1.0100

HIGH HEAT: 1.0300 - 1.0700

**DRY BUTTERMILK - WEST**

Prices continue to firm for Western buttermilk powder. Any offerings are being readily absorbed by the trade. Demand for powder remains excellent. The main reason for the strength in the market is the limited amount of powder available for sale. Declining churning activity is limiting the amount of liquid buttermilk available. Demand for condensed buttermilk is excellent and this is the preferred form of the product at this time of year. Some price resistance is noted, but it is having no impact on the Western market at this time.

BUTTERMILK: .8500 - .9000 MOSTLY: .8700 - .8800

**DRY WHEY - WEST**

Prices for Western whey powder range from steady to fractionally higher. Most price discounting has disappeared from the market. Limited premiums are beginning to show up. The market seems to be much more closely balanced. New export activity ranges from steady to slightly slower. Contacts are watching the strength in the European market and wondering if this will have some impact on the U.S. this summer. Domestic buyers are taking good volumes of powder. Some lower grade powder is also clearing from warehouses. Production, overall, is starting to decline seasonally.

NONHYGROSCOPIC: .1700 - .1900 MOSTLY: .1725 - .1775

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
June 23	\$1.0070	15,332,825
June 16	\$1.0070	13,404,704

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Prices are steady to higher. The market tone is unchanged. Most operations' inventories are lighter than they would normally carry at this time of year. Historically, plants would build stocks during the flush and hope they would meet their needs through the summer. The lighter stocks are generally caused by the forming of a regional/national marketing agency, lighter milk receipts, decent condensed skim sales, and some large-volume sales made a month or two ago. Current demand is fair to good as some DEIP contracts are being filled. Sales of Eastern NDM to CCC have, for the most part, been halted as export and domestic orders are being filled. Production of NDM is lighter than expected for this time of year and some plants are drying only a few days a week.

Includes EXTRA GRADE AND GRADE A

**F.O.B. NORTHEAST:**

LOW/MEDIUM HEAT: 1.0200 - 1.0300 MOSTLY: 1.0200 - 1.0250  
HIGH HEAT: 1.0650 - 1.1000 MOSTLY: 1.0650 - 1.0700

**DELVD SOUTHEAST:**

ALL HEATS: 1.0300 - 1.1100

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are steady and nominal. The market tone is unchanged. Production levels are light, but some additional churning activity is expected during the upcoming holiday weekend. Producer stocks are light with only a few operations reporting that they have loads available for immediate sale and shipment. Demand is slow as more price resistance is evident.

F.O.B. NORTHEAST: .8800 - .9000

DELVD SOUTHEAST: .8800 - .9500

**DRY WHOLE MILK - NATIONAL**

Prices are steady and the market tone is quite firm. Exporting is improving and as of June 26, the allocations for dry whole milk are filled. (One metric ton remains unfilled.) Producers are now filling the contracts exporters have made. Domestic demand is just fair. Plant stocks are light and closely balanced.

F.O.B. PRODUCING PLANT: 1.2050 - 1.3200

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1999 THROUGH JUNE 23, 2000  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 101,383 MT (228,876,284 LBS)  
Program-year and preallocated volumes are filled.

WHOLE MILK POWDER -- 17,728 MT (39,083,148 LBS)  
CHANGE -- 1,860 MT (4,100,556 LBS)

CHEESE -- 3,841 MT (8,467,869 LBS)  
CHANGE -- 33 MT (72,752 LBS)

BUTTERFAT -- 5,298 MT (11,679,970 LBS)

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT. These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese. March 31, 2000: USDA announced an that additional 8,232 MT of dry whole milk was made available under DEIP until June 30, 2000.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are generally higher and the market tone is firm. Production levels are steady to occasionally lighter. Producer stocks are closely balanced with some producers reporting that they are sold out for the next month or two. Any spot loads that do become available are easily cleared or held with some confidence. Domestic demand seems to be improved this week. This is typical following a couple weeks of price increases. Buyers often see this as a start of a higher price trend and want to purchase ahead of any further increases. Producers report more inquiries this week. The export market is also improved as world supplies have tightened and buyers look to the U.S. for product.

F.O.B. NORTHEAST: EXTRA GRADE .1900 - .2025  
USPH GRADE A .1925 - .2000

DELVD SOUTHEAST: .2200 - .2400

**EVAPORATED MILK - NATIONAL**

Prices are unchanged on a steady market. Production levels are light as milk volumes decline along seasonal patterns. Producer inventories are more than adequate to cover current, slow to fair demand.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$20.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

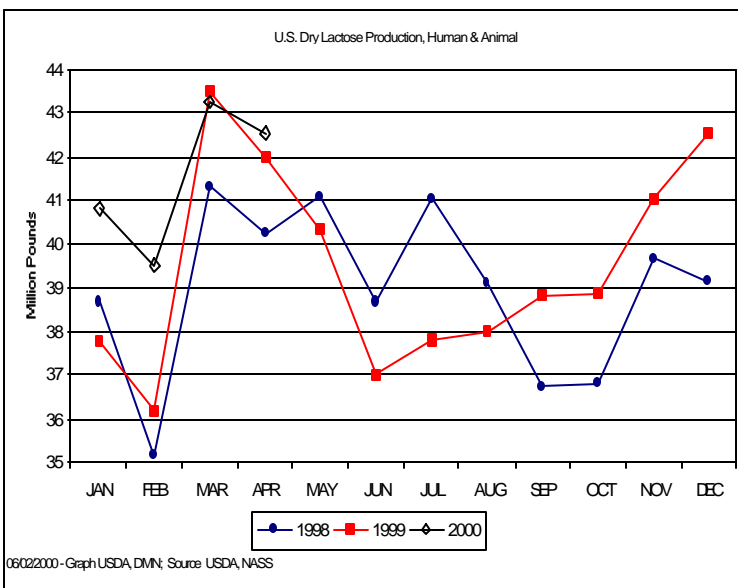
**CASEIN - NATIONAL**

Casein markets are firm. Deliveries of second quarter contracted volumes at low prices continue to be received. Importers and domestic buyers know that third quarter prices will be sharply higher. Stocks of both rennet and acid are reported as limited, but some producers indicate that stocks should be sufficient to meet regular buyer needs. However, deliveries might not be as timely as desired. Oceania casein continues to be delivered on basically timely schedules, but there are no additional volumes available for spot buyer interest. European stocks are equally as limited. Although European milk production is seasonally strong, very aggressive skim and whole milk powder demand is limiting casein production. In light of this, casein output is still reported to be fairly active.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.0500 - 2.2000

ACID: 2.0700 - 2.2500



**FEDERAL MILK ORDER ADVANCE PRICES, JULY**

**Class I Base Price** - Under the Federal milk order pricing system, the Class I base price for July 2000 is \$12.46 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$7.71 and the advanced butterfat pricing factor of \$1.4355. Class I differentials specific to each order are added to the base price to determine the Class I price.

**Class II Price Information** - The advanced Class IV skim milk pricing factor is \$7.71. Thus, the Class II skim milk price for July is \$8.41 per cwt., and the Class II nonfat solids price is \$0.9344. **Product Price Averages** – The two-week product price averages for July are; butter \$1.2911, nonfat dry milk \$1.0106, cheese \$1.1060, and dry whey \$0.1794.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <u>1/</u> <u>2/</u>		July 2000		
Federal Milk Order Marketing Area <u>3/</u>	Order Number	Class I Price (3.5%)	Class I Skim Milk Price	Class I Butterfat Price
		<u>\$ per cwt.</u>	<u>\$ per cwt.</u>	<u>\$ per pound</u>
Northeast (Boston) <u>4/</u>	001	15.71	10.96	1.4680
Appalachian (Charlotte) <u>5/</u>	005	15.56	10.81	1.4665
Southeast (Atlanta) <u>6/</u>	007	15.56	10.81	1.4665
Florida (Tampa) <u>7/</u>	006	16.46	11.71	1.4755
Mideast (Cleveland) <u>8/</u>	033	14.46	9.71	1.4555
Upper Midwest (Chicago) <u>9/</u>	030	14.26	9.51	1.4535
Central (Kansas City) <u>10/</u>	032	14.46	9.71	1.4555
Southwest (Dallas) <u>11/</u>	126	15.46	10.71	1.4655
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	14.81	10.06	1.4590
Western (Salt Lake City) <u>13/</u>	135	14.36	9.61	1.4545
Pacific Northwest (Seattle) <u>14/</u>	124	14.36	9.61	1.4545
All-Market Average		15.04	10.29	1.4613

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are principal pricing points of markets. 4/ Class I prices at other points are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25. 5/ Class I prices at other points are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other points are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90. 7/ Class I prices at other points are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other points are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other points are: Milwaukee, minus 0.05; and Minneapolis, minus, \$0.10. 10/ Class I prices at other points are: Des Moines, minus 0.20; Omaha, minus 0.15; Oklahoma City, plus 0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other points are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I price at Boise is minus \$0.30. 14/ Class I prices at other points are: Portland, same; and Spokane, same.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE <sup>1/</sup>

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>
MAR 2000	166.5	2.0	159.1	-1.5	153.0	-6.1	162.3	0.2	134.2	-10.1	152.4	3.8
APR 2000	166.6	2.0	160.6	2.9	155.2	3.7	163.6	2.3	131.0	-10.0	152.9	4.2
MAY 2000	167.3	2.2	159.6	2.2	156.1	3.7	162.1	0.9	132.9	-4.8	153.9	4.9
<b>U.S. City Average Retail Prices</b>												
Month	Whole Milk <sup>4/</sup>		Lowfat Milk <sup>4/</sup>		Butter <sup>5/</sup>		Process Cheese <sup>6/</sup>		Natural Cheese <sup>7/</sup>		Ice Cream <sup>8/</sup>	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	Dollars											
MARCH	2.748	3.003	2.681	2.881	2.408	2.739	3.845	3.878	3.810	3.714	3.275	3.231
APRIL	2.773	2.707	2.711	2.686	2.300	2.703	3.747	3.748	3.790	3.694	3.338	3.266
MAY	2.782	2.716	2.714	2.651	2.379	2.546	3.692	3.806	3.740	3.721	3.347	3.195

NA = Not available. <sup>1/</sup> "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. <sup>2/</sup> The standard reference base period for these indexes is 1982-1984 = 100. <sup>3/</sup> Percent change over previous year. <sup>4/</sup> Per gallon. <sup>5/</sup> Per pound. Grade AA, salted, stick butter. <sup>6/</sup> Per pound, any size and type of package. <sup>7/</sup> Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). <sup>8/</sup> Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS-FEBRUARY-APRIL 1999-2000 AND YEAR-TO-DATE 1999-2000 <sup>1/</sup>

Item	Feb.-Apr. 1999	Percent change <sup>4/</sup>	Feb.-Apr. 2000	Percent change <sup>4/</sup>	Jan.-Apr. 1999	Percent change <sup>4/</sup>	Jan.-Apr. 2000	Percent change <sup>4/</sup>
	Million Pounds							
<b><u>MILK</u></b>								
Production	40,814	3.7	42,672	3.4	54,447	3.4	56,924	3.7
Marketings	40,480	3.7	42,345	3.5	53,997	3.4	56,484	3.7
Beginning Commercial Stocks <sup>2/</sup>	6,917	27.7	7,576	9.5	5,274	7.9	6,135	16.3
Imports <sup>2/</sup>	1,082	29.4	1,045	-3.4	1,458	46.7	1,310	-10.2
Total Supply <sup>3/</sup>	48,479	7.1	50,966	4.2	60,729	4.6	63,929	4.5
Ending Commercial Stocks <sup>2/</sup>	8,939	36.3	9,505	6.3	8,939	36.3	9,505	6.3
Net Removals <sup>2/</sup>	86	-32.8	263	205.8	107	-54.5	351	228.0
Commercial Disappearance <sup>3/</sup>	39,454	2.2	41,198	3.3	51,683	0.8	54,073	3.8
<b><u>SELECTED PRODUCTS <sup>5/</sup></u></b>								
Butter	303.3	-1.9	315.7	2.8	399.3	-4.0	408.9	1.4
American Cheese	859.8	7.0	871.8	0.3	1,112.5	1.9	1,168.3	4.2
Other Cheese	1,127.6	5.2	1,184.1	3.9	1,430.5	3.0	1,551.5	7.6
Nonfat Dry Milk	205.3	-12.6	157.7	-23.9	272.0	-9.3	200.8	-26.7
Fluid Milk Products <sup>6/</sup>	NA	NA	NA	NA	NA	NA	NA	NA

NA = Not available.

<sup>1/</sup> Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. <sup>2/</sup> Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. <sup>3/</sup> Totals may not add because of rounding. <sup>4/</sup> From year earlier on a daily average basis. <sup>5/</sup> Commercial disappearance in product pounds. <sup>6/</sup> Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through ERS AutoFAX. To request a document, dial (202) 694-5700 and enter document number 11521 when prompted.



## CCC PURCHASES OF DAIRY PRODUCTS

FOR THE WEEK OF JUNE 26 - 30, 2000				CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 06/23/00	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	1,162,919	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	5,583,600	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	6,746,519	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	10,507,162	1,261,861	9,245,301	379,361,908	145,181,088	-0-	-0-
Fortified	-0-	-0-	-0-	5,313,347	382,871	-0-	-0-
TOTAL	10,507,162	1,261,861	9,245,301	384,675,255	145,563,959	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JUNE 26 - 30, 2000 =	2.0	107.6	COMPARABLE WEEK IN 1999 =	1.7	88.3
CUMULATIVE SINCE OCTOBER 1, 1999 =	146.9	4,544.4	CUMULATIVE SAME PERIOD LAST YEAR =	32.0	1,694.4
CUMULATIVE JANUARY 1 - JUNE 30, 2000 =	135.7	3,951.3	COMPARABLE CALENDAR YEAR 1999 =	32.0	1,693.2

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

## CCC ADJUSTED PURCHASES FOR THE WEEK OF JUNE 26 - 30, 2000 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MI DWEST	-0-	-0-	-0-	-0-	-0-	-0-	515,297	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	8,730,004	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

## CCC ADJUSTED PURCHASES SINCE 10/1/99 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MI DWEST	-0-	-0-	6,665,991	-0-	45,049,342	12,995,119	48.6	8.9
WEST	-0-	-0-	80,528	-0-	334,699,185	132,568,840	50.6	91.1
EAST	-0-	-0-	-0-	-0-	4,926,728	-0-	0.8	0.0
TOTAL	-0-	-0-	6,746,519	-0-	384,675,255	145,563,959	100.0	100.0

## SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 2000

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

## DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 &amp; 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow &amp; Total Cow Slaughter under Federal Inspection, by Regions &amp; U.S., for Week Ending 06/10/00 &amp; Comparable Week 1999 1/ 2/

Regions*											U.S. TOTAL	% DAIRY OF ALL		
	1	2	3	4	5	6	7	8	9	10	WEEK : SINCE JAN 1	WEEK : SINCE JAN 1		
2000-Dairy cows HD (000)	0.2	0.8	5.5	4.3	20.2	1.9	0.6	0.7	9.5	2.6	46.4	1,213.3	44.2	49.3
1999-Dairy cows HD (000)	0.3	1.1	5.4	5.2	15.9	1.8	2.4	0.6	8.3	2.4	43.4	1,179.3	43.4	45.9
2000-All cows HD (000)	0.2	1.0	7.7	13.5	29.4	15.9	13.8	4.2	13.1	6.1	105.0	2,463.4		
1999-All cows HD (000)	0.3	1.1	7.4	13.4	23.1	14.1	17.1	3.9	11.8	7.6	99.9	2,568.9		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

## BASIC FORMULA PRICE (BFP), (3.5% BF, \$/CWT, FOR COMPARISON PURPOSES ONLY)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63

## FEDERAL MILK ORDER CLASS PRICES FOR 2000 (3.5% BF)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Class I 1/	10.90	10.71	10.84	10.93	11.48	11.70	12.46					
Class II	11.43	11.51	11.71	12.10	12.63	13.08						
Class III	10.05	9.54	9.54	9.41	9.37	9.46						
Class IV	10.73	10.80	11.00	11.38	11.91	12.38						

1/ Specific order differentials to be added to this base price are located at: [www.ams.usda.gov/dairy/fmor\\_announce.htm](http://www.ams.usda.gov/dairy/fmor_announce.htm)